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THE NOTE UP TO THE GRAND JURY

Swift Steamers Between Canada And Australia

SIR JAMES MILLS, OF UNION STEAMSHIP COMPANY, GETS MORE SATISFACTORY BARGAIN WITH DOMINION GOVERNMENT THAN ANTICIPATED—TWENTY KNOT BOATS TO GO FROM VANCOUVER TO AUCKLAND IN TWELVE OR FOURTEEN DAYS.

Steamships that will make the trip between Vancouver and Auckland in about the same time that it took the Oceanic steamers for the trip between Honolulu and Auckland will be going some in Pacific traffic. Yet that is the promise of the near future.

Sir James Mills, president of the Union Steamship Company of New Zealand, who passed through Honolulu some weeks ago on his way to England is reported by the Montreal Witness to have been even more successful than

DESTROYERS TO BE KEPT HERE

U. S. NAVY DEPARTMENT WILL THIS YEAR EQUIP NAVAL MOSQUITO FLEET, WITH OIL BURNING APPARATUS, FOR STATION DUTY IN HAWAIIAN WATERS, ON CALIFORNIA COAST AND IN THE PHILIPPINES—STUDYING MERCHANT SUCCESS.

It is the purpose of the United States Navy Department to equip a considerable number of destroyers, this year, with oil burning apparatus, to be stationed in Hawaiian waters, in the Philippines and on the California coast.

Engineer-in-Chief John K. Barton, U. S. N., has been ordered by the Navy Department to inspect the steam engineering plant of the navy yard, Puget Sound, and of the navy yard, Mare Island. He has started on this inspection trip. Advantage will be taken while on this tour of inspection for an examination of the oil burning system installed by the Union Iron Works on vessels of the mercantile marine on the coast, for comparison with the oil burners for naval use, upon which latter experiments at the New York and Norfolk Navy Yards are thus far yielding very gratifying results. The work on the Wyoming, which is at Mare Island, will be made a special subject of inspection. That ship is fitted with oil burners made on designs originating

in the Bureau of Steam Engineering and she is said to be a great success. As a large proportion of the steamers engaged in coastwise trade on the Pacific burn oil, there is an exceptionally good chance to study the efficiency of this form of power.

It is the purpose to equip a considerable number of the destroyers to be put under contract this year with oil burning apparatus, as they are to be stationed on the Pacific coast and at Hawaii and in the Philippines.

A MESSAGE FROM AUSTRALIA.

Messrs. Williamson & Co., Dundas, Queensland, writes: "Chamberlain's Colic, Cholera and Diarrhoea Remedy enjoys a great reputation in these parts. It has effected some really remarkable cures, and there is scarcely a home without a bottle." For sale by all dealers, Benson Smith & Co., agents for Hawaii.

Best cup of coffee in the city at New England Bakery.

The Drive of The Year

A regular round up of good things for men. Prices have no comparison with the values we offer this time. We have never done so much for our customers as we are going to do during the big drive which we will start on Friday.

Men's Suits, Men's Cut-Away Coats, Men's Blue Serge Suits, Men's Trousers. All at the lowest prices ever heard of in Honolulu.

Remember the Date
FRIDAY, JULY 31

L.B. Kerr & Co., Ltd
ALAKA STREET.

SHERIFF LAUKEA'S NOTE TO ISOI SWEEPING PINEAPPLE EXEMPTION ALLOWED

\$ 100.00
One month after date I promise to pay to the order of J. Isoli One Hundred Dollars at Honolulu Value received with Interest at 1% per annum J. Laukea

The above cut is a facsimile of the famous note. All the note, including the name Isoli, appears to be in the same handwriting.

The Isoli-laukea transactions are being subjected to a strict inquiry at the hands of the Territorial grand jury today. The matter has been closely looked into by Deputy Attorney General Larnach under instructions from Attorney General Hemenway and he is handling the case before the grand jury.

Sheriff Laukea was one of the first witnesses to be called in. Before that he was seen sitting in the hall near the juryroom, with Townsend, the fidus Achates through whom the negotiations for the \$100 loan were conducted, and who is also accused of being the go-between when Isoli tried to bribe the Sheriff. The two appeared to be still on the most friendly of terms, regardless of the fact that the Sheriff has stated for publication that he was very suspicious of his former officer.

Isoli and his wife, as well as Editor Sheba, of the Hawaii Shimpoo, were also present. Sheba's part in the matter comes through the fact that he got the story for his paper which disclosed the unaccountable transactions between the Sheriff and the Czar of Iwilei. He had no part in any of the bribery transactions or loans which took place and can give but hearsay testimony.

What the grand jury will do is hard to say. It is very doubtful if any evidence which can be brought before them will warrant an indictment against Isoli for attempted bribery. A case of this kind is so hard to prove that the strongest of evidence is needed. It seems likely, therefore, that the whole matter will probably end with a report to the Circuit Court censuring some of those for the part they took, but stating that no true bill for a criminal offence can be found.

FIRE TOWARD THOMAS SQUARE

As the Star's second edition goes to press an alarm of fire has just been made from box 67, Alapai and Bereania. The Rapid Transit office says in answer to inquiry that the fire is toward Thomas square. "All out" has been sounded, within five minutes of the alarm.

BIG FLEET ENCOUNTERS A STORM

(Associated Press Cable to The Star.)
AUCKLAND, N. Z., August 7.—The Cunliffe has arrived here in advance of the American fleet.

The fleet is now 360 miles away and is in stormy weather.

ZEPPELIN HAS PLAN

FRIEDRICHSHAFEN, August 7.—Count Zeppelin, aeronaut, has two different models of airships with which to continue his experiments.

THE SHAH HARD UP

TEHRAN, August 7.—The Shah has borrowed \$250,000 from a Russian bank, on the crown jewels.

STRIKE TO BE A LONG ONE

WINNIPEG, August 7.—Preparations are being made for a long fight with the railroad strikers.

ARMY SHOTS

CHICAGO, August 7.—The army shooting has begun at Fort Sheridan.

Will Pacific Mail Withdraw?

NEW YORK, JULY 30.—THE TIMES WILL HAVE AN ARTICLE TOMORROW STATING THAT IF THE PACIFIC MAIL STEAMSHIP COMPANY WITHDRAWS ITS FLEET FROM THE TRANSPACIFIC TRADE BETWEEN SAN FRANCISCO, JAPAN AND CHINA, JAPANESE COMPANIES WILL NOT BE ALLOWED TO HAVE THE MONOPOLY OF THE FAR WESTERN TRADE FOR LONG, BECAUSE THE NORTH GERMAN LLOYD LINE WILL START AN OPPOSITION SERVICE BEFORE NEXT SPRING.

SAN FRANCISCO, July 30.—The Chronicle says: The decision of the transcontinental railroads to abandon a large part of the Oriental business, as announced in a special dispatch to the "Chronicle" from Chicago yesterday, is in the opinion of R. P. Schwerin, general manager of the Pacific Mail Steamship Company, very serious for the Pacific steamship companies. In their attitude toward the export trade, the Canadian Pacific, Great Northern, Northern Pacific, Union Pacific, Southern Pacific, Oregon Short Line and the Santa Fe railroads are forced out and they will practically abandon the import trade. This is the result of the new rule put into effect by the Interstate Commerce Commission, which does not allow the railroads to charge rates over night to meet varying conditions, in order successfully to compete with Suez route rates.

These companies will put into effect November 1st a new rate schedule of domestic rates, which are as high as the through rates have been clear to the Orient. The new rates from Chicago to San Francisco are higher than the rates from Chicago to the Orient, via Suez.

To these rates must be added he Chronicle says: The decision of the Orient, said Mr. Schwerin. "My opinion is, a very serious situation confronts the water carriers on the Pacific, excepting the subsidized lines; or, in other words, the Japanese lines. It certainly is very serious for the Pacific shipowners who have no subsidy for their lines. I don't know what the effect of the new policy of the railroads may be. It is too early yet to say what policy will be adopted by the ship companies."

He was asked whether some of the steamers will be forced off the sea, and replied: "That question has not been raised yet." To this the suggestive comment was added: "We handled approximately 120,000 tons a year. I don't think, after the new rates go into effect, we shall handle 20,000 tons a year. There is practically no local business between San Francisco and the Orient. The passenger business would not pay the coal bills. There does not seem to be any hope of getting a subsidy from Congress in time to do any good."

On inward freight from the Orient the railroads will charge more than the whole present through rate from the Orient to Chicago and the East, so that trade is in the same condition as the export business.

USEFUL SPECIALS. THE LATEST DAINTY.

Sachs is offering useful specials tomorrow at bargain prices for those who shop before one o'clock. The very latest in refreshments is Alligator Pear ice cream. Everyone thinks it is delicious at the Young Cafe.

TAX APPEAL COURT OF OAHU HOLDS THAT NOT MERELY FORTY ACRES OF LAND BUT CANNERIES AND ALL EQUIPMENTS ARE EXEMPT FROM TAXATION UNDER THE ACT PASSED BY THE LEGISLATURE OF 1907.

The Tax Appeal Court for the district of Oahu has taken its whack at the pineapple cases and rendered a strong decision against Tax Assessor C. T. Wilder, holding that pineapple canneries and all equipments used in connection with the production of pineapples are exempt from taxation under the law passed by the Legislature in 1907. The decision is far more sweeping than any which have been rendered by the courts on the other islands and should be of interest to all concerned in the pineapple industry.

There were five appeals brought before the court, being stipulated that the Wahiawa case should be taken up and the cases of the other appellants should follow the decision in that. The decision holds as follows:

"The wording of the law is clear and the Court cannot go back of the law itself to find intentions not expressed therein. Section 1223 of the Revised Laws, as amended by Act of April, 1907, provides that for five years from December 31, 1907, all property real and personal solely and actually in use for the cultivation and production of pineapples (and other specified products) shall be exempt from property taxes thereon: the only exception to this is in the proviso—That such exemption shall not apply to any land in the excess of forty acres so used by any one person, firm or corporation in the cultivation and production of pineapples. Whatever the Legislature meant this is what it said, and the only question that appears necessary for further consideration is whether the exemption applies as claimed by the Tax Assessor only to the raw product, should be free from taxes.

Should the decision given by the lower court be upheld in the Supreme Court it would go very far. In the case of companies, for instance, which are going to make pineapple brandy, their distilleries would be, under the holding of the tax appeal court, exempt from all taxes. The case will probably come before the Supreme Court in October and will be fought out to a finish by the Territory, as Attorney General Hemenway feels that the intent of the law was to assist the "production and cultivation of pineapples" by the small farmer, and not exemption applies as claimed by the Tax Assessor only to the raw product, should be free from taxes.

HAMAKUA DITCH BONDS IN LONDON

ONE OF THE OLDEST ENGLISH FINANCIAL HOUSES NEGOTIATING FOR ISSUE OF EIGHT HUNDRED THOUSAND DOLLARS TO BUILD THE UPPER DITCH—LEWIS AND MCCROSSON TO RETURN SOON—MACFARLANE TO STAY LONGER.

Favorable news was received this morning by Harris Lewis from Fred Lewis who went to London with Colonel G. W. Macfarlane and J. T. McCrosson, regarding the negotiations for floating the Lower Hamakua Ditch bonds.

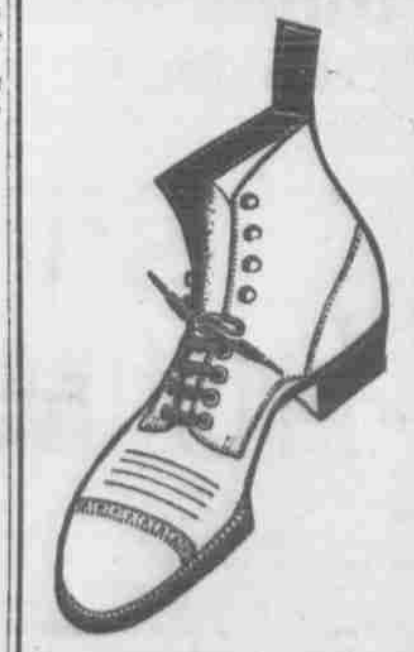
Though nothing was expected to be completed until after August, on account of the movement of Londoners to the summer resorts, negotiations had made good progress with one of the oldest financial houses in London.

Messrs. Lewis and McCrosson will return to Honolulu in four or five

(Continued on Page Eight.)

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